IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Newport News Division

IN RE: MARSH HAWK GOLF CLUB, LLC and FORD'S COLONY COUNTRY CLUB, INC.	Case No. 10-50632
	Chapter 11 (Jointly Administered)
Debtors.	

MARSH HAWK GOLF CLUB, LLC
and
FORD'S COLONY COUNTRY CLUB, INC.

FIRST AMENDED DISCLOSURE STATEMENT
MARCH __, 2011

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED UNDER SECTION 1125(B) OF THE BANKRUPTCY CODE FOR USE IN THE SOLICITATION OF ACCEPTANCES OF THE ATTACHED PLAN OF REORGANIZATION. THE FILING AND DISTRIBUTION OF THIS DISCLOSURE STATEMENT IS NOT INTENDED, AND SHOULD NOT BE CONSTRUED, AS A SOLICITATION OF ACCEPTANCES OF THE ATTACHED PLAN.

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IN THE UNITED STATES BANKRUPTCY COURT
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IN RE: MARSH HAWK GOLF CLUB, LLC and FORD'S COLONY COUNTRY CLUB, INC.	Case No. 10-50632
	Chapter 11 (Jointly Administered)
Debtors	

DISCLOSURE STATEMENT OF MARSH HAWK GOLF CLUB, LLC AND FORD'S COLONY COUNTRY CLUB, INC.

I. PURPOSE OF THIS DISCLOSURE STATEMENT

This Disclosure Statement accompanies the plan of reorganization (the "Plan") proposed by Marsh Hawk Golf Club, LLC ("Marsh Hawk") and Ford's Colony Country Club, Inc. ("FCCC" and, together with Marsh Hawk, the "Debtors" or the "Companies") in their proceedings under Chapter 11 of the Bankruptcy Code. The purpose of the Plan is to provide for the payment of the Companies' debts and for their future as an operating business.

To become effective, the Plan must be voted on by Creditors and be "confirmed" by the Court. The purpose of this Disclosure Statement is to provide information to assist Creditors in deciding whether to vote to accept the Plan. All holders of claims and equity interests are entitled to vote to accept or reject the Plan. **To be counted, your ballot must be completed, executed and received by ______ Eastern Time, _________, 2011 (the "Voting Deadline**"). This Disclosure Statement should be read in its entirety prior to voting on the Plan.

THE COMPANIES RECOMMEND A VOTE FOR THE PLAN.

The Bankruptcy Court has approved this Disclosure Statement, but its approval does not constitute a recommendation by the Court to vote for or against the Plan. Rather, the Court has merely ruled that the information in this Disclosure Statement is adequate for you to make an informed judgment on whether to vote to accept or reject the Plan.

Certain Exhibits referred to in this Disclosure Statement have been filed with the Court but, in the interest of efficiency, are not appended hereto. These are **Exhibits DS-11** (the Secured Note) and **Exhibit DS-12** (the Security Documents). They may be obtained online at _________________ or by request to the Debtors' attorneys.

A copy of the Plan accompanies this Disclosure Statement as **Exhibit DS-1**. The provisions of the Plan control if there is any inconsistency between the Plan and the information contained in this Disclosure Statement. All capitalized terms used in this Disclosure Statement and not otherwise defined herein shall have the meanings ascribed to those terms in the Plan.

Except for the Debtors and certain professionals the Debtors have retained, no person has been authorized to use or disperse any information concerning the Debtors, their businesses, or the Plan other than the information contained in this Disclosure Statement and if given or made, such information may not be relied upon as having been authorized by the Debtors. You should not rely on any information relating to the Debtors, their businesses, or the Plan other than that contained in this Disclosure Statement and the attached exhibits.

This Disclosure Statement does not provide legal advice or attempt to summarize your rights under the Bankruptcy Code. You should consult your own attorney or the attorney for the Creditors Committee, whose name appears below, with any questions of this nature. You are also invited to contact the attorneys for the Companies with any questions you may have.

This Disclosure Statement contains financial information that has been obtained from the Debtors' books and records, and no financial information has been audited or reviewed by independent certified public accountants. The Debtors have diligently attempted to see that all financial information is fairly and accurately presented, and the responsible officers of the Companies believe the financial information in this Disclosure Statement is accurate in all material respects.

As to contested matters, adversary proceedings and other actions or threatened actions, this disclosure statement shall not constitute or be construed as an admission of any fact or liability, stipulation, or waiver, but rather as a statement made in settlement negotiations. This disclosure statement shall not be admissible in any non-bankruptcy proceeding nor shall it be construed to be conclusive advice on the tax, securities, or other legal effects of the plan as to holders of claims against, or equity interests in, the debtors and debtors in possession of these cases.

The Creditors and Shareholders of the Debtors are permitted to vote to accept or reject the Plan using the accompanying ballot. For purposes of voting, Creditors and Shareholders are grouped into "Classes" according to the types of Claims or interests they have and their treatment under the Plan. Only Creditors whose Claims are "impaired" (i.e. Creditors who are adversely affected by the Plan) may vote on the Plan. After the votes are tallied, the Court will hold a hearing to decide whether to confirm the Plan. Under circumstances described in the Bankruptcy Code, the Court may confirm the Plan even if a Class or Classes of Creditors vote against it. **Thus, you may be bound by the Plan even if you do not vote to accept the Plan so long as the Plan is confirmed by the Bankruptcy Court.**

If confirmed, the Plan becomes a contract between Marsh Hawk, FCCC, their Creditors, and their shareholders, and its terms will govern their treatment. Once confirmed by the Court, the Plan will replace the pre-bankruptcy Claims of Creditors and Shareholders with the contractual provisions of the Plan. After confirmation, Creditors and Shareholders will no longer be able to enforce or collect their pre-bankruptcy rights against the Debtors and will instead be bound by the Plan.

The Bankruptcy Court has scheduled a Confirmation Hearing on the Plan for ______________, 2011, at _______, Eastern Time, before the Honorable Stephen C. St. John, United States Bankruptcy Judge. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan be filed and served on or before ____________________ in the manner described in the Order entered by the Court on this Disclosure Statement.

After carefully reviewing this Disclosure Statement, including the attached exhibits, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the enclosed Ballot and return the same to the address set forth on the Ballot, in the **enclosed return envelope** so that it will be received no later than the Voting Deadline.

II. EXPLANATION OF CHAPTER 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code, pursuant to which a debtor in possession may reorganize its business for the benefit of its creditors, equity holders, and other parties in interest. The formulation of a plan is the principal purpose of a Chapter 11 case. The plan sets forth the means for satisfying the holders of claims against and interests in the debtor's estate.

After a plan has been filed, the holders of impaired claims against and interests in a debtor are permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, Section 1125 of the Bankruptcy Code requires the debtor to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. **This Disclosure Statement is presented to holders of Claims against and Equity Interests in the Debtors to satisfy the requirements of Section 1125 of the Bankruptcy Code in connection with the solicitation of votes by the Debtors on the Plan.**

The Bankruptcy Court may confirm a plan even though fewer than all the classes of impaired claims and equity interests accept the plan. For a plan to be confirmed, despite its rejection by a class of impaired claims or equity interests, the plan must be accepted by at least one class of impaired claims (determined without counting the vote of insiders) and the proponent of the plan must show, among other things, that the plan does not "discriminate unfairly" and that the plan is "fair and equitable" with respect to each impaired class of claims or equity interests that has not accepted the plan. **The Plan has been structured so that it will satisfy the foregoing requirements as to any rejecting class of Claims and can therefore be confirmed, if necessary, over the objection of one or more (but not all) classes of Claims.**

III. OVERVIEW OF THE PLAN

This Section gives highlights of the Plan, which is discussed in detail in Section VI. The Plan is a "Joint Plan" and applies to the Creditors and Shareholders of both Marsh Hawk and FCCC. However, the Creditors and Shareholders of each Company are separately classified, such that no class contains Creditors of more than one Company. For purposes of tabulating votes, the Creditors of Marsh Hawk must vote separately from the Creditors of FCCC. Accordingly, the Creditors of FCCC will receive different ballots than the Creditors of Marsh Hawk. **If you are a Member of the Debtors' Golf and Country Club, and you claim a right to receive money from the Club under a Membership Agreement, you have a claim against FCCC and will receive a FCCC ballot.** Any Creditor who asserts claims against both Debtors will receive two ballots and must vote twice—once as a Creditor of Marsh Hawk and once as a Creditor of FCCC.

Upon confirmation of the Plan, the Debtors will remain separate entities and become the "Reorganized Companies." The Reorganized Companies shall be responsible for effectuating the Plan, as described more fully in Section VI below.

Priority Claims. As required by the Bankruptcy Code, the Plan provides that (1) Claims arising after the bankruptcy filing, such as professional fees and operating expenses, and (2) Claims given special priority under the Bankruptcy Code, such as taxes, will be fully paid in cash at confirmation or in accordance with their terms, subject to any necessary court approval or orders entered in the case. (All professional fees must be approved by the court after notice to Creditors). A reserve will be created for Administrative Expenses that are not paid in cash at confirmation and this will be funded primarily through recoveries the Debtors receive from lawsuits they initiated during the course of this case. *See* Plan at Article II (C) and Disclosure Statement at Section V.B.

Secured Claims. The Plan provides that the *entire claim* of Prudential Industrial Properties, LLC ("Prudential")[1] will be discharged by the payment of $17,670,927 over a 30-year term, with interest paid on $10.5 million of principal. The interest rate will be 5.25% for the first five years and will readjust upon the Fifth Anniversary of the Effective Date, and every five years thereafter, pursuant to a Formula Rate. The Secured Claim of Prudential against FCCC is discharged by reinstatement, in full, of the Liquor License Security Agreement and Non-Recourse Guaranty executed by FCCC on December 26, 2006. The Plan further provides that, unless otherwise agreed, secured debt owed equipment lenders be paid in the installment amounts established in the original debt instruments until principal and interest are paid in full. Arrearages existing on equipment debt as of the date of the bankruptcy filing will be paid in full at the end of the respective contract term.

Unsecured Claims: In General. Unsecured Claims will be placed in a particular "Class," according to the pre-bankruptcy relationship between the Creditor and the Debtors. Treatment of each Creditor's Claim under the Plan will vary depending on the Class in which the Claim is placed. Each unsecured Creditor, except persons or companies affiliated with the Debtors, is entitled to a payout under the Plan, in equal installments over a period of time, of at least 35% percent of his/her/its Claim. As described in detail in Section VI, some unsecured Creditors will receive their payout only from available cash after operating expenses and other Creditors are paid. Additionally, certain Creditors have the option to voluntarily elect to be placed in an alternative "Class," which will result in earlier payment of their Claim(s) at a discount. This alternative is discussed below.

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[1] The Debtors stipulated with Prudential that it has an Allowed Claim totaling $17,670,927, of which $10.5 million is secured and of which $7,170,927 is unsecured. This stipulation is on file with the Court. Prudential is currently administering the $18 million loan provided to Marsh Hawk by Textron Financial Corporation in December, 2006. *See* Disclosure Statement at Section V.E. At the time the stipulation was entered into, the Debtors believed that Prudential was also the legal "holder" of the Textron note. However, based on information the Debtors received after they entered into the stipulation, it is now unclear whether Prudential or Textron is the legal "holder" of the Textron note. The Plan thus provides for payment to the holder of the Textron note, but, for purposes of clarity and convenience, this Disclosure Statement refers to Prudential as the Creditor with a Claim under the Textron note. Any reference in this Disclosure Statement to "Prudential's Claim" shall not be deemed to be an admission or agreement on the part of the Debtors that Prudential is the legal holder of the Textron note.

Members: In General. **UNDER THE PLAN, ALL CURRENT MEMBERS OF THE CLUB, WHETHER OR NOT CREDITORS IN THIS CASE, WILL CONTINUE AS MEMBERS OF THE CLUB WITHOUT THE PAYMENT OF ANY REINSTATEMENT FEE. RESIGNED MEMBERS ARE ALSO INVITED TO REJOIN THE CLUB, WITHOUT THE PAYMENT OF ANY REINSTATEMENT FEE, IN EXCHANGE FOR A RELEASE OF THEIR CLAIMS AGAINST FCCC. THE RIGHTS OF MEMBERS UNDER THEIR MEMBERSHIP AGREEMENTS ARE NOT CHANGED BY THE PLAN, EXCEPT THAT CLAIMS TO REFUNDABLE ADVANCES WILL BE DISCHARGED AS PROVIDED IN SECTION VI BELOW.**

The Plan treats those Members of the Club that have current or inchoate Claims for a Refundable Advance under their Membership Agreements (i.e. Gold Members, Premier Members and Resigned Members) as Creditors of FCCC, because those Members have a vested right to repayment in a specific amount. Specifically, Gold Members, Premier Members and Resigned Members entered into contracts with FCCC that entitle them to repayment of a Refundable Advance and/or a Premier Advance upon the third anniversary of their death or retirement from the Club. There is no contingency that may result in nonpayment; one of the two events that trigger FCCC's obligation to repay is certain to occur.

The Plan treats those Members of the Club who are Platinum Members as parties to executory contracts, because their contracts offer no vested (i.e. guaranteed) right to repayment; repayment is solely contingent on an event that may not occur: sale of the Platinum Member's home and resale of his or her membership by the Debtors to a new Platinum Member. The Plan rejects those contracts but affords Platinum Members the opportunity to continue their memberships under the same terms and conditions. Platinum Members are thus Creditors though they have no right to Refundable Advances.

Members other than Platinum Members whose contracts do not provide for a Refundable Advance are not Creditors in this Case and are not entitled to vote on or receive a distribution under the Plan. Their Membership Agreements "ride through" the bankruptcy and remain unaffected by the Plan.

In the event Membership Agreements providing for a Refundable Advance are determined by the Debtors or the Court to be "executory contracts," which must be rejected or accepted under the Plan, the Plan (a) rejects those Membership Agreements that provide for a Refundable Advance, (b) offers to reinstate the rejected Membership Agreements without charge or right to Refundable Advance, (c) treats each Member's underlying Claim for damages caused by rejection as provided in the Section VIII of the Plan, and (d) assumes the membership agreements of members who are not entitled to a refundable advance.

Equity for Debt. As described is Section VI.I, certain Creditors have the option of accepting an equity interest in one of the Reorganized Companies in full satisfaction of their Claims. Creditors who so elect will be issued "stock" in the Reorganized Company against whom they have a Claim, in exchange for a full discharge of the Companies' debt to that Creditor.

Classes of Unsecured Claims. The Plan provides for Classes of Unsecured Claims (including Subclasses). The Classes are as follows:

– *Gold Members*: Gold Members are Active Members of the Debtors' Golf and Country Club who entered into contracts, under which they paid an "advance" of $7,500 to $12,500 that is refundable upon death or retirement of the Member. A list of Gold Members and the amount of the Refundable Advance due to each Gold Member[2] is attached as **Exhibit DS-2**. Claims of Creditors in this Class are against FCCC only.

– *Premier Members*: Premier Members are Active Members who, in addition to the initial "advance," paid an "upgrade fee" (defined in the Plan as the "Premier Advance") of $20,000 or $28,000, which amount was to have a stated value of $40,000 or $60,000 respectively after 5 years, and bear interest thereafter. Many Premier Members have the right to a refund of their initial advance as well as the appreciated value of their upgrade fee upon death or resignation. A list of Premier Members is attached as **Exhibit DS-3**.[3] Claims of Creditors in this Class are against FCCC only.

– *Resigned Members*: Resigned Members are all persons who paid a Refundable Advance to FCCC in order to become a Member, and who have since died or retired his or her Membership. Members entitled to a Refundable Advance who retired or passed away after the Petition Date are treated as Gold Members under the Plan. A list of Resigned Members is attached as **Exhibit DS-4**. Claims of Creditors in this Class are against FCCC only.

– *Platinum Members*: Platinum Members are those Active or Resigned Members who purchased a ***transferable, nonrefundable*** "Platinum Membership" for approximately $50,000 to $55,000. A list of Platinum Members is attached as **Exhibit DS-5**. Claims of Creditors in this Class are against FCCC only.

– *Prudential's Deficiency Claim*: The deficiency Claim of Prudential is the amount by which the amount due to Prudential at the time of the bankruptcy filing exceeds the value of the Prudential's collateral at the time of Plan confirmation. The Claim in this Class is against both Marsh Hawk and FCCC, which issued a non-recourse guaranty as a limited security agreement in favor of Prudential.

– *Insiders*: Insiders are persons or companies who are affiliated with one or both of the Debtors. The Insiders who are Creditors in this Case are: Richard Ford, Sr., the Estate of Richard Ford, Jr., Brian Ford, Realtec, Inc., Ford's Colony First Choice Realty, LLC, and Southern Holding Associates. There are two Subclasses of Insider Claims: Claims against Marsh Hawk and Claims against FCCC.

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[2] Prior to the Petition Date, in certain hardship cases, the Companies permitted a Gold Member to "offset" his or her monthly dues against his or her Refundable Advance. Accordingly, the Plan provides for Distributions to Gold Members only to the extent that their Refundable Advance has not been reduced in exchange for a waiver of monthly dues. This offset is no longer being offered by the Companies.

[3] Eight (8) of the sixteen (16) Premier Members listed on Exhibit DS-3 paid a ***non-refundable*** initial advance and are therefore entitled only to the appreciated value of the upgrade fee they paid to become Premier Members.

– *General Unsecured Creditors*: General Unsecured Creditors are all Creditors with Claims in excess of $1000 who do not fall within any of the aforementioned Classes and who do not elect to reduce their Claims as described below. Most General Unsecured Creditors are "trade creditors," – i.e. companies or persons that provided goods or services to one or both of the Debtors that are necessary to operation of the Debtors' business. There are two Subclasses of Claims of General Unsecured Creditors: Claims against Marsh Hawk and Claims against FCCC.

– *Administrative Convenience Class*: The Administrative Convenience Class or "Small Claims Class," as further described below, is composed of Claims of $1000 or less and includes General Unsecured Creditors who elect to reduce their Claims to $1000. A Member cannot reduce his or her Claim under the Plan and therefore cannot be a part of the Administrative Convenience Class. There are two Subclasses of Small Claims: Claims against Marsh Hawk and Claims against FCCC.

Executory Contracts and Unexpired Leases. Persons or entities scheduled by the Debtors' as executory contract holders are not Creditors of the Debtors and have Claims against the Companies only if their contracts or leases are "rejected" by the Companies in the Plan. These persons are listed in Schedule G of each of the Debtors' Schedules and Statements of Financial Affairs on file with the Court.

Common Stock. As described below, no current stockholder in either Company will retain or obtain an interest in the Reorganized Companies on account of his or her current interest.

The Plan is described in detail in Section VI, below.

IV. VOTING ON AND CONFIRMATION OF THE PLAN

A. Summary of Voting Requirements

The Bankruptcy Code requires that a plan be accepted by at least one Class of non-insider Claims that is adversely affected ("impaired") under the plan. In this jointly-administered Case, the Companies have filed a joint Plan applicable to both Debtors. The Court may take the position that the Plan must be accepted by at least one Class of impaired, non-insider Claims against ***each Debtor***, meaning that a Class of non-insider Creditors of Marsh Hawk and a Class of non-insider Creditors of FCCC may have to accept the Plan for the Plan to be confirmed. This is a legal issue that may arise if no Class in the Marsh Hawk votes for the Plan by the requisite majorities. If it does arise, the Court will decide it at or before the Confirmation Hearing.

All Classes of Creditors established under the Plan are "impaired" and entitled to vote. However, the Shareholders in Class 11A and 11B are deemed to reject the Plan because they receive no Distributions on account of their Equity Interests under the Plan. A Class of Creditors accepts a Plan if a majority in number, and two-thirds in amount, of the votes cast are in favor of the Plan. Other important requirements for confirmation are discussed in Section IX, below.

B. Ballots

Accompanying this Disclosure Statement is a ballot. To have your vote count, you must complete your ballot and return it to the lawyers for the Debtors at the address indicated on the ballot. They will tally the votes and report the results to the Court at the hearing on confirmation of the Plan.

The ballot forwarded to you with this Disclosure Statement has been specifically designed for the purpose of soliciting votes on the Plan. Accordingly, please use only the ballots sent to you with this Disclosure Statement.

Each ballot for Unsecured Creditors also contains a place to make important elections, discussed below. You should fill out this portion of the ballot, regardless of whether you vote for or against the Plan, or do not even vote at all.

C. Entitlement to Vote

If an objection has been filed to your Claim, you will not be entitled to vote unless the Court temporarily allows your Claim in an amount that it deems appropriate under all the facts and circumstances. You should assume your vote will count unless notified by the Debtors' lawyers that an objection has been filed.

Your vote may be disregarded if the Court determines, after notice to you and a hearing, that your vote was improperly solicited or procured.

D. Effect of a Failure to Vote

If you do not return a fully completed ballot to the proper address within the specified time, your vote will not be counted in determining whether your Class has accepted or rejected the Plan.

E. Confirmation Hearing

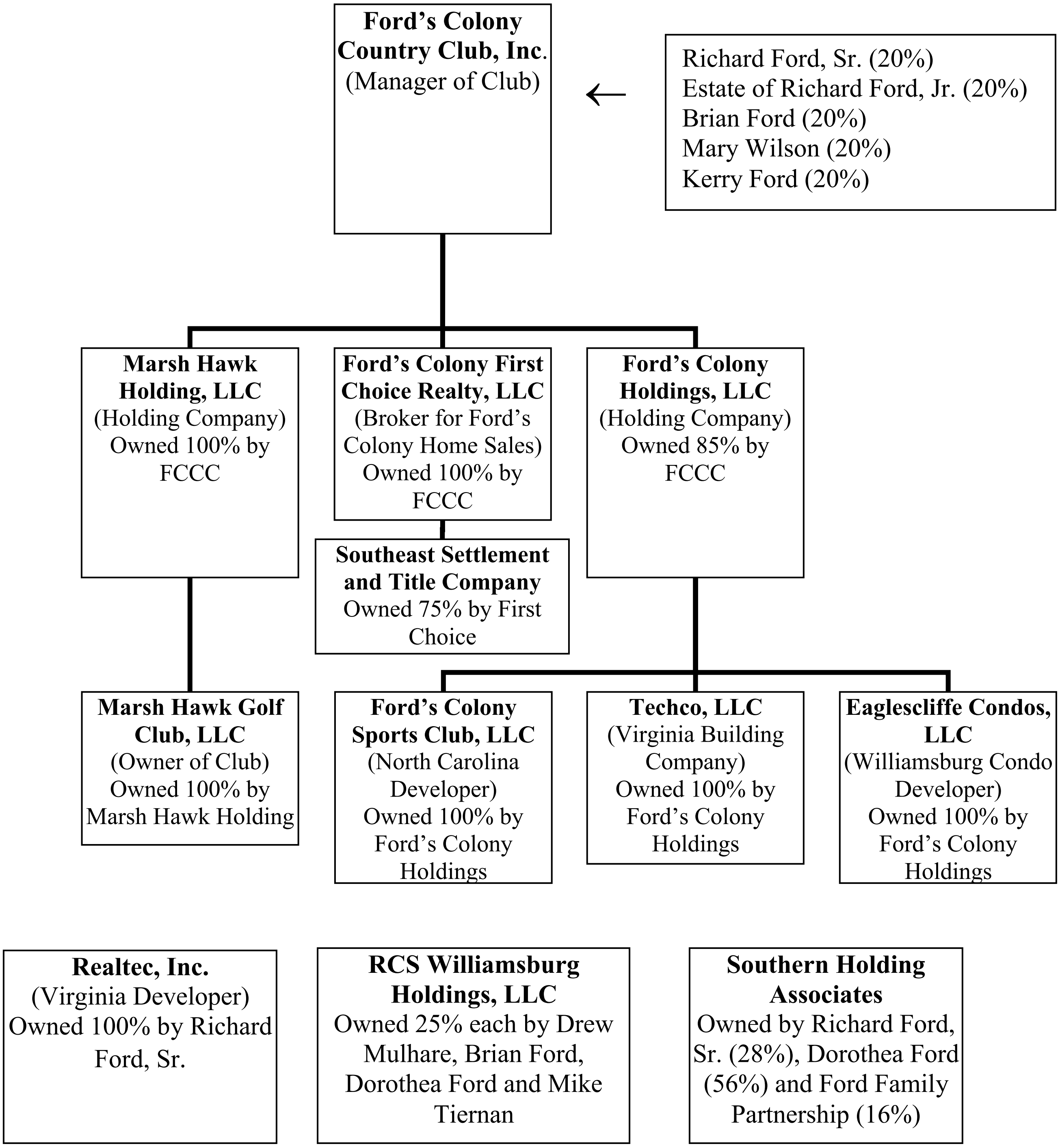
The Bankruptcy Code requires that the Court, after notice to the Creditors, hold a hearing to determine whether a Plan should be confirmed. The hearing on confirmation of the Plan has been scheduled, and notice of the time and date accompanies this Disclosure Statement. At the confirmation hearing, the Court must determine whether the Plan meets the requirements for confirmation under the Bankruptcy Code. These requirements are discussed in Section XI below.

V. BACKGROUND

A. Shareholders

The Debtors are commonly-controlled entities that together developed, own and operate a golf and country club in the Williamsburg, Virginia area (the combined operations being hereinafter referred to as the "Club"). Richard Ford and his family—particularly his two daughters, one living son, and the estate of his second son—(the "Ford Family") own all of the shares of FCCC. Each Shareholder has an equal interest (20%) in the company. No Shareholder receives any remuneration from the Debtors in the form of salaries, benefits or perquisites other than as described in Section V.B below. FCCC has a 100% ownership interest in Marsh Hawk Holding, LLC (who is not involved in this case), who in turn has a 100% ownership interest in Marsh Hawk. FCCC also has a 100% ownership interest in Ford's Colony First Choice Realty, LLC and an 85% ownership interest in Ford's Colony Holding, LLC, who are not involved in this Case.

In addition to FCCC, the Ford Family, or Richard Ford, Sr. have direct or indirect equity interests in other entities associated with Ford's Colony or the Ford's similar development in Rocky Mount, North Carolina. The chart that follows summarizes the Fords' equity participation in entities involved or related to this Case.


Ford's Colony Country Club, Inc. (Manager of Club)
Richard Ford, Sr. (20%) Estate of Richard Ford, Jr. (20%) Brian Ford (20%) Mary Wilson (20%) Kerry Ford (20%)
Marsh Hawk Holding, LLC (Holding Company) Owned 100% by FCCC
Ford's Colony First Choice Realty, LLC (Broker for Ford's Colony Home Sales) Owned 100% by FCCC
Ford's Colony Holdings, LLC (Holding Company) Owned 85% by FCCC
Southeast Settlement and Title Company Owned 75% by First Choice
Marsh Hawk Golf Club, LLC (Owner of Club) Owned 100% by Marsh Hawk Holding
Ford's Colony Sports Club, LLC (North Carolina Developer) Owned 100% by Ford's Colony Holdings
Techco, LLC (Virginia Building Company) Owned 100% by Ford's Colony Holdings
Eaglescliffe Condos, LLC (Williamsburg Condo Developer) Owned 100% by Ford's Colony Holdings
Realtec, Inc. (Virginia Developer) Owned 100% by Richard Ford, Sr.
RCS Williamsburg Holdings, LLC Owned 25% each by Drew Mulhare, Brian Ford, Dorothea Ford and Mike Tiernan
Southern Holding Associates Owned by Richard Ford, Sr. (28%), Dorothea Ford (56%) and Ford Family Partnership (16%)

B. Management

As described in Section V.E, since 2006—when the Club obtained a loan and was required to create Marsh Hawk as a special purpose entity to hold the collateral for the loan—FCCC has been responsible for management of the Club, but has not received the management fee ($5,000 per year) to which it is entitled according to the loan documents. Thus, FCCC has essentially managed the Club for free for the last five years, while Marsh Hawk retains nearly all of the revenues from Club operations.

The officers of Marsh Hawk, as well as FCCC, are: Richard Ford (Chairman), Brian Ford (President and Secretary), and Mike Tiernan (Vice President). Richard Ford receives no compensation from the Debtors for his services as Chairman of the Companies.

Mike Tiernan and Brian Ford are salaried employees of First Choice Realty, another entity affiliated with the Ford's Colony development and their salaries are paid by First Choice Realty. Marsh Hawk reimburses First Choice Realty each month for the time that Mr. Tiernan and Mr. Ford spend doing work for the Club, as opposed to work for First Choice Realty. This expense of Marsh Hawk, as well as reimbursement for the services of other First Choice Realty personnel, is included in the monthly overhead expenses of Marsh Hawk, as detailed in the chart below.

First Choice Allocation
2010

	Salary	Benefits	Total	Club %	Club $'s
Staff P/R					
Brian Ford	160,000	16,000	176,000	25%	44,000
Mike Tiernan	130,000	13,000	143,000	33%	47,190
Accounting Supervisor	42,000	4,200	46,200	40%	18,480
Marketing - Creative Director	54,000	5,400	59,400	60%	35,640
Telemarketing (2.5 Emp)	80,000	8,000	88,000	25%	22,000
Front Desk/Reservations (52 Hrs/Wk)	40,000	4,000	44,000	25%	11,000
Board of Director's	N/C				N/C
Building Rent – Monthly			2,000		24,000
Total					202,310
Total per Month					16,859
Actual Monthly Charge					15,000

C. Assets

On the Petition Date, Marsh Hawk owned several hundred acres of land, which has been developed into three 18-hole championship golf courses, a driving range, chipping and putting greens, 30,000+ square foot clubhouse, maintenance buildings and associated parking areas and amenities. Marsh Hawk also owned personal property related to the operation of the Club, which includes golf maintenance equipment, automobiles, inventory and accounts receivable from Club operations.

FCCC owned over 900 Membership contracts, five automobiles, and golf maintenance equipment. In addition, FCCC owned improvements (fixtures) made to Harry's Tavern Restaurant, which is on the Club premises. FCCC held promissory notes in varying amounts issued by companies or persons affiliated with the Debtors and had an ownership interest in three related companies: Marsh Hawk Holding, LLC, Ford's Colony Holdings, LLC, and Ford's

Colony First Choice Realty, LLC. The two holding companies have no assets, other than their ownership interests in certain subsidiaries as shown above. The subsidiaries of the Ford's Colony Holdings, as well as Ford's Colony First Choice Realty are believed by the Companies to be valueless.

A list of the real and personal property owned by each of the Debtors as of the Petition Date is attached as **Exhibit DS-6A** and **Exhibit DS-6B**, respectively. Certain personalty on the Club premises is on loan to the Club and is not owned by either of the Debtors. This personalty is listed in **Exhibit DS-6C**.

D. Liabilities

At the Petition Date, Marsh Hawk owed secured Creditors almost $17.76 million, of which approximately $17.5 million was owed to Prudential. The remaining amount was owed to equipment lessors and lenders. Priority Claims against Marsh Hawk were scheduled at $17,175. General Unsecured Claims were scheduled by Marsh Hawk at approximately $486,000, including a $105,444 Claim held by an insider of Marsh Hawk (Realtec, Inc.).

At the Petition Date, FCCC owed Secured Creditors about $104,000. General Unsecured Claims were scheduled by the FCCC at approximately $13.35 million. Approximately $7.28 million of those Unsecured Claims are held by insiders, who will waive their Claims in exchange for an equity interest in the Reorganized Company, as described below.

Creditors may examine the Amended Schedules and Statement of Affairs filed by the Debtors for more detailed information concerning the Companies' assets and liabilities when these proceedings commenced. These documents are on file with the Clerk's Office of the Court.

E. Operations

In General. The Club is a first-class establishment with over 900 Members, 700 of whom pay monthly dues to access the Club's three championship golf courses, exclusive restaurants, and members-only social events. The Debtors' business was formed in connection with the development of Ford's Colony, a planned community consisting of single-family detached homes, townhouses, condominiums, and a 200-unit time share resort. The Club remains closely tied to the real estate market in the surrounding area, because a majority of new Club Memberships are issued to purchasers of real estate in Ford's Colony. The Debtors' business is seasonal; revenues are highest in May, June, and September, when temperatures are most conducive to outdoor activities, and revenues are lowest in January and February.

The Textron Loan Refinancing. In 2006, FCCC refinanced debt by obtaining an $18 million loan from Textron Financial Corporation ("Textron"). As a condition of the loan, Textron required FCCC to create a "special purpose entity," to issue the note and own the collateral. FCCC thus organized Marsh Hawk Holding LLC and Marsh Hawk. FCCC transferred all of its real estate and most of its tangible personal property (excluding certain equipment leases) to Marsh Hawk and then Marsh Hawk pledged all of the property as security for the debt to Textron. Thereafter, FCCC essentially managed the Club for free on behalf of Marsh Hawk. Marsh Hawk was the sole obligor under the loan from Textron and FCCC was the sole obligor under the Membership Agreements. (FCCC did provide collateral and a non-recourse guaranty to back up the loan after the loan closing). All revenues from operation of the Club, including Membership dues and charges owed to FCCC, were deposited in Marsh Hawk's bank account and used to fund operating expenses and pay down the Textron loan. FCCC received no consideration for its transfer of the Membership revenues to Marsh Hawk.

Soon after the loan was made, Textron assigned most of its interest in the note to Prudential and Prudential or its affiliate has administered the loan to date.

The Decline in the Real Estate Market. A significant component of the Club's cash flow comes from initiation fees paid by new Members. The primary source of new Members is real estate sales within the Ford's Colony community. From 1999 to 2006, annual initiation fee revenue ranged from a low of $1.4 million to a high of $2.2 million. During the same period, real estate sales in Ford's Colony ranged from 143 home sales to 309 home sales annually. A decline in real estate purchases, and a corresponding decline in Membership sales, became apparent in the second half of 2006—a time when the national real estate market began to suffer as well. The decline continued in greater magnitude throughout 2007, 2008, 2009 and 2010.

Perhaps the clearest example of the economic downturn's effect on the Club is the sharp decline in the appraised value of the Club between 2006 and 2010. In 2006, the firm of Wellspeak, Dugas & Kane determined the value of the Club to be $30 million, based largely on revenue generation. The same firm appraised the Club in 2010 and estimated the value to be $10.5 million.

This dramatic downturn finally caught up with the Companies toward the end of 2008, at which time Marsh Hawk was unable to make its monthly mortgage payment under the Textron note. As a temporary solution to its cash flow problems, Marsh Hawk assigned a $313,000 payment from the Marriott (which makes a like payment each year to allow its time-share owners to use the Club) to Prudential and for the first time offered its Members the option of prepaying their dues at a substantial discount. However, when revenues continued to decline in 2009, Marsh Hawk was again forced to advance the annual Marriott payment and again offered the Members a discounted prepayment option. This enabled Marsh Hawk to stay current on its obligations to until December, 2009. No loan payment was made thereafter.

The Chapter 11 Filing. The Debtors began negotiations with Prudential for a "work out" in early 2010, but no agreement could be reached. Eventually, Prudential filed a court proceeding in Williamsburg/James City County Circuit Court to have a receiver appointed and to foreclose on the Club. This led to the bankruptcy filing on April 1, 2010 in the Bankruptcy Court for the Eastern District of Virginia.

F. Bankruptcy Proceedings

Important Motions, Hearings and Negotiations. Throughout the case, Prudential has persistently sought Court permission to continue the state court proceedings and foreclose on the Club, taking the position that no feasible reorganization can come out of this case. The preliminary hearing on Prudential's request—called a "Motion for Relief from Stay"—was originally scheduled for September 16, 2010. Also scheduled for hearing on September 16, 2010 was the Debtors "Motion for Substantive Consolidation" (which sought to combine the assets and liabilities of the Companies so that all Creditors' Claims could be paid from a common pool of assets) and the Debtors' motion to determine the value of Prudential's Claim against Marsh Hawk ("Valuation Motion"). At the September 16, 2010 hearing, the Court invited Prudential and the Debtors to attempt to resolve these matters before a mediator in lieu of going to trial. The Debtors and Prudential agreed, and mediated matters on October 28, 2010 before the Honorable Frank J. Santoro, Bankruptcy Judge for the Eastern District of Virginia. The Committee of Unsecured Creditors also joined the mediation.

No agreement resulted from the mediation. The parties resumed Court proceedings on November 17, 2010. On that date, the Court held the preliminary hearing on Prudential's Motion for Relief from Stay, and held that there was not enough evidence to grant Prudential the right to foreclose at that time. The Court continued Prudential's Motion to January 18, 2011. The Court also scheduled hearings on the Debtors' Motion for Substantive Consolidation and the Valuation Motion in January, 2011.

Prudential and Marsh Hawk settled the Valuation Motion and entered into a Stipulation providing that Prudential has a Secured Claim against Marsh Hawk in the amount of $10.5 million and that Prudential has an Unsecured Claim against Marsh Hawk for $7,170,927.34. In the Stipulation, Prudential also agreed to waive its additional $4.6 million claim for a "yield maintenance premium" due upon prepayment of the note. The parties continued to negotiate a resolution of their remaining differences up until the eve of trial but ultimately no agreement was reached.

In the meantime, Prudential did reach a confidential agreement with the Creditors' Committee, which, among other things, required the Committee to support Prudential's foreclosure efforts and oppose the Debtors' Motion for Substantive Consolidation unless the Debtors agreed to a plan acceptable to Prudential and the Committee before the January hearing. That agreement was disclosed in full at the January hearing and is available on the Court's website.

The trial on the Motion for Substantive Consolidation and Prudential's Motion for Relief from Stay encompassed two and half days over a three-week period and concluded on February 2, 2011. At the conclusion of the trial, the Court ruled that there was insufficient evidence to grant Prudential the right to foreclose at that time and denied the Debtors' Motion for Substantive Consolidation, which was opposed by Prudential and the Creditors' Committee. The Court also ruled that anyone wishing to file a plan of reorganization in this Case must do so by February 28, 2011. Prudential's Motion for Relief from Stay remains pending and has been rescheduled for March 16, 2011. The Debtors are appealing the Order denying Substantive Consolidation.

The denial of the Motion for Substantive Consolidation may mean the votes cast by the Creditors of FCCC may not have any legal effect on the confirmability of the Joint Plan; as a result, Creditors of FCCC alone (including Members) will have no bearing in confirmation of the Joint Plan in the Marsh Hawk case. (This position is taken by Prudential and the Committee and has substantial support in the law). The Debtors have reserved the argument that an acceptance of the Joint Plan by a Class of Creditors of FCCC should be considered an "acceptance by at least one class of impaired non-insider claims" for purposes of confirmation of the Joint Plan in the Marsh Hawk case; this argument also has substantial legal support. If the issue arises, it will be decided by the Court at or prior to the Confirmation Hearing.

Exclusivity. Pursuant to Sections 1121(b) and (c)(3) of the Bankruptcy Code, a debtor in a Chapter 11 case has a certain amount of time within which it has the exclusive right to file a plan and solicit acceptances to the plan, before other parties in interest are permitted to file plans. This "exclusive filing period" was extended by the Court in this Case from July 31, 2010 to September 30, 2010. The Companies requested a further extension, which was denied at a hearing on November 17, 2010, and any party in interest has been entitled to file a plan since November 17, 2010.

Operations During the Case. During the case, the Debtors have remained in possession and control of their assets as "Debtors in Possession" and have been able to operate profitably and accumulate significant cash. They have continued making payments on leases and installment contracts and have timely paid their suppliers for goods and services provided during the bankruptcy case. Selected financial statements of each Debtor from immediately prior to the bankruptcy filing and from January 31, 2011 are attached as **Exhibit DS-7**.

Committee of Unsecured Creditors. At the outset of the case, a Committee of Unsecured Creditors was appointed to negotiate the Plan and oversee the interests of the Unsecured Creditors in the case. The Committee engaged as counsel John D. McIntyre, Esquire, of McIntyre & Wilson, PLLC. with offices at 500 East Main Street, Suite 920, Norfolk, Virginia 23510.

The four-person Committee consists of two Active Members of the Club and two persons that have retired their Membership interests. The Committee has actively participated throughout the case. Most notably, the Committee bargained confidentially with Prudential to support foreclosure and oppose consolidation in exchange for temporary accommodations regarding post-foreclosure use and disposition of the Club premises (*see* Paragraph F, above).

The primary concern of the Committee has been "transparency" in Club management. The Committee has also expressed a desire for member input in important management decisions, such as major financial decisions. The Plan attempts to address the Committee's concerns. *See* Plan at Article III(B) and Disclosure Statement at Section VI.C.

G. Purposes of Plan of Reorganization

The Debtors objectives and this reorganization have centered on two major objectives: relief from the unsustainable debt service costs rising from the 2006 refinancing and removing the financial threat inherent in the "legacy costs" of the Refundable Advances. Although relatively small amounts of Refundable Advances were due at the Petition Date, every Member of the Club – and the Club's financial stability – are threatened by the ability of all other Members to demand millions of dollars in refunds in future years. The legacy costs are not the cause of the reorganization, which was prompted by the failure of the Prudential "work out" in the first quarter of 2010. The reorganization does, however, give the Companies and the

Members an opportunity to remove the threat of legacy costs tin an organized undiscrimantory manner.

The Plan is designed to reach these goals and preserve the going concern value of the Debtors' business. The Debtors believe that implementation of the Plan described in Section VI below will provide Holders of Allowed Claims the greatest recovery possible on account of their Claims. Although the Debtors are not able to provide all Creditors a 100% recovery on account of their Allowed Claims, the Debtors have sought to maintain the relationships they have with their members, customers, vendors, and suppliers and anticipate that the Club will continue as a first-class operation going forward.

The Plan is also designed to simplify the corporate structure of the Debtors' business. Although the Debtors are prohibited from merging FCCC and Marsh Hawk under the Plan, the Debtors will enter into arms-length contracts under the Plan which provide to each Company compensation for the contributions it makes to the operations of the Club.

The Plan also removes millions of dollars in obligations to Affiliates incurred over the life of the Club. These Claims will be voluntarily converted to Stock, thus subordinating them to the Claims of all Creditors of both Companies. These Shares are subject to substantial dilution as well, as set out below.

Finally, the Debtors believe that the Plan provides the largest possible recovery on the Claims of Unsecured Creditors. All of the assets of Marsh Hawk are encumbered and subject to the liens of Prudential, and thus Marsh Hawk's Unsecured Creditors would receive nothing in a liquidation without the consent of Prudential. Furthermore, the majority of the Unsecured Creditors are Members, who have a Claim solely against FCCC. Because the Debtors' believe FCCC's minimal assets to be valueless, the Members likely would receive nothing in a liquidation of FCCC.

For more information regarding the amount Unsecured Creditors would receive in the event of a liquidation *see* Section XIV.A of this Disclosure Statement.

VI. THE PLAN

A. Summary

The Companies will reorganize pursuant to the Plan, a copy of which accompanies this Disclosure Statement. The Reorganization will be accomplished in eight (8) steps, which are designed primarily to rectify the "bifurcated" business structure created under the 2006 loan (*see* Disclosure Statement, Section V.E), as follows:

1. All outstanding shares of FCCC issued prior to the Petition Date will be canceled. All outstanding shares of Marsh Hawk issued to its parent company, Marsh Hawk Holding, LLC, will be canceled.

2. Marsh Hawk will amend its Operating Agreement to read substantially in the form of **Exhibit DS-8**.

3. FCCC will amend its bylaws to read substantially in the form shown on **Exhibit DS-9**.

4. FCCC will contribute 100% of the revenues it receives from Club Members (such as charges and monthly dues) after the Effective Date of the Plan to Marsh Hawk. FCCC will also assign (a) the Marriott Agreement (as defined in the Plan), (b) certain golf maintenance equipment held by FCCC, and (c) a license to use the "Ford's Colony Country Club" name and logos. This will be accomplished through the FCCC Assignment, which is attached as **Exhibit DS-10**. In exchange for the Assignment, Marsh Hawk will (1) issue shares to FCCC that have a value that is equal to the present value of 60% of the future stream of revenues Marsh Hawk will receive as a result of the Assignment, (2) assume FCCC's liabilities under the Marriott Agreement, (3) assume FCCC's liabilities under the equipment leases and vendor contracts still held by FCCC as of the Petition Date, (4) assume FCCC's liabilities to the Holders of certain "Assigned Claims" that will be transferred to Marsh Hawk under the Assignment, and (5) undertake to provide all Member services provided by FCCC. Specifically, the Assigned Claims include: (a) Secured Claims held by equipment vendors against FCCC, (b) Claims to Pre-Petition arrearages under equipment leases held by FCCC, (c) Small Claims ($1000 or less) of Members, and (d) General Unsecured Claims against FCCC by Creditors who are not Members.

5. FCCC will issue new shares to the Affiliates (or their assigns) who have Claims against FCCC, in full satisfaction of their Claims, at a ratio of one (1) share per $1,000 of the Claim. The affiliates who are Creditors in this case and will receive shares in FCCC in payment of their Claims are: Brian Ford, the Estate of Richard Ford, Southern Holding Associates, Richard Ford, Realtec, and First Choice Realty; however, no shares will be issued to any person/entity who is not a qualified Subchapter S stockholder.

6. Marsh Hawk will issue the Secured Note (described below and attached as **Exhibit DS-11**) to Prudential, and will execute and deliver the Security Documents that are attached as **Exhibit DS-12**.

7. Executory contracts (listed in Schedule G of the Debtors' Schedules and Statement of Financial Affairs on file with the Court), will be accepted or rejected as provided in Article V of the Plan, and as explained in Section VI.Q of this Disclosure Statement.

8. Marsh Hawk will enter into a Management Agreement with First Choice Realty in the form of **Exhibit DS-13**. Under the Management Agreement, First Choice Realty will receive each month (1) a Non-Subordinated Management Fee of $15,000 as part of the Operating Expenses of MHGC (2) a Subordinated Management Fee of 4% of monthly revenues for the preceding month. The Non-Subordinated Management fee will apply towards the Subordinated Management Fee. ***The Non-Subordinated Management Fee will replace the current overhead-sharing payments made to First Choice Realty for the time its salaried officers and employees spend working on Club business***. *See* Section V.B. The Subordinated Management Fee will compensate First Choice Realty for its services as manager of the Club, and is comparable to the fees charged by independent management companies for golf and country clubs.

Under the Plan, the Debtors will divide their Creditors into categories or "Classes." The Classes are described in detail in Section VI of this Disclosure Statement and Articles VII and VIII of the Plan.

B. Reserves

Under the Plan, Marsh Hawk will operate the Club and pay the operating expenses necessary and appropriate to maintain the Club as a first Class dining and golfing establishment. Operating Expenses will include the fees and expenses of consultants, experts and professionals, and the Non-Subordinated Management Fee discussed in Section VI.A.

In addition to paying ordinary and necessary operating expenses as they become due, the Plan permits Marsh Hawk, as well as FCCC, to establish "reserves" for certain types of expenses. These reserves are designed to protect the value of assets and create stability. With limitations, the Reorganized Companies may deposit money into the reserve accounts prior to making certain payments under the Plan.

First, Marsh Hawk and FCCC may each maintain a *reasonable* operating cash reserve amount, for payment of current expenses (including emergency expenses) and budgeted future expenses on a timely basis.

Second, Marsh Hawk and FCCC may each maintain a reserve for paying deferred or contested Administrative Expenses incurred during the bankruptcy case.

Third, Marsh Hawk must maintain a Capital Expense Reserve and deposit into that reserve at least 2% of the monthly gross revenues from operations for the preceding month. (Payments may be suspended if the total Capital Expense Reserve equals at least 2% of the gross revenues from the preceding 12-month period). Marsh Hawk may also, in its sole discretion, deposit up to an additional $100,000 in the Capital Expense Reserve each fiscal year. This account will be used to fund non-routine maintenance expenses and improvements to the Club.

Fourth, Marsh Hawk may establish a Debt Service Reserve for payment of Prudential's Claim under the Plan. No deposit may be made into this reserve until all Mandatory Payment Obligations are met under the Plan. Further, the total amount of funds held in the Debt Service Reserve will never exceed $200,000. *See* Plan at Article VII and Disclosure Statement at Section VI.D for a discussion of Mandatory Payment Obligations.

C. Management of the Reorganized Companies

Operating Agreement. Marsh Hawk will be managed in its internal affairs through its Operating Agreement.

Management Agreement. As discussed in Subsection A of this Section VI, the Plan provides that Marsh Hawk will pay the Non-Subordinated Management Fee to First Choice Realty, under the Management Agreement, as reimbursement for the work First Choice Realty's employees do for the Club. This payment will be made as part of the Operating Expenses of MHGC. Marsh Hawk will also pay, if funds are available, the Subordinated Management Fee to

First Choice Realty in accordance with the Management Agreement, subject to prior payment of Mandatory Payment Obligations.

Management Team. The Plan provides that the current officers, managers, and employees of the Companies will continue as managers, officers and employees after Confirmation.

Budgets and Reports. The Reorganized Companies will (i) provide to the Members an annual pro forma budget, setting forth detailed cost and revenue projections, (ii) provide to the Members annual financial statements with comparison to budget, and (iii) provide to the CCMA Board (on a confidential basis) monthly revenue and expense reports, showing actual revenues and expenses as compared to the annual budget.

Affiliate Transactions. The Plan provides that neither of the Reorganized Companies will enter into any transaction with an affiliate except in accordance with the MHGC Operating Agreement and the FCCC Bylaws, respectively. The MHGC Operating Agreement and FCCC Bylaws incorporate state law. The effect of these provisions is to grant each creditor the same protection that a limited liability company member or a shareholder of a corporation has under stat law against the officers or directors who breach their duties to the Reorganized Companies by engaging in wrongful transactions.

A list of the Affiliate Transactions entered into as of the Petition Date is attached as **Exhibit DS-14**.

Directors. Under the MHGC Operating Agreement, Marsh Hawk will be governed by the MHGC Board, which will initially consist of Michael Tiernan and Brian Ford, the sole officers of the Reorganized Companies. The MHGC Board will provide the minutes of each of its meetings to Prudential (or the Holder of the Secured Note) and the CCMA Board.

Outside Consultant. The MHGC Board may from time to time engage the services of independent consultants to examine the operations of the Club and make recommendations to the MHGC Board. A copy of the consultants report and Marsh Hawk's response to the report will be provided to Prudential (or the Holder of the Secured Note) and the CCMA Board.

D. Distribution Waterfall

By reason of inability of the Debtors to consolidate (*see* Section V.F above), the Plan establishes two tiers of distribution, if cash pashing first through Marsh Hawk for "mandatory" distributions, then up to FCCC for distributions to Members. Each Company shall have its own priorities for distributing cash, called a "waterfall."

The Plan entitles each Creditor to a Distribution on account of his or her allowed Claim. However, some Creditors will receive mandatory payments and some Creditors will receive payments only if cash is available at the end of the year. Specifically, all Creditors of Marsh Hawk will receive mandatory payments under the Plan. However, the Members, who are Creditors of FCCC, will receive a distribution under the Plan only if cash is available to pay the distribution. This is primarily because FCCC has no liquid assets or income stream, other than the distributions it may receive as a shareholder in Marsh Hawk (*see* Section V.E). Moreover, if payments to Members were mandatory, FCCC would be required to raise dues to meet any shortfall. Nevertheless, failure to make payments to Members after a specified grace period will result in a Plan default, entitling Members to exercise remedies.

If Marsh Hawk generates excess cash after all its bills are paid and its reserves are met, Marsh Hawk will distribute that cash to its shareholders, including FCCC, and FCCC will use the distribution to make payments under the Plan. If Marsh Hawk does not generate excess cash in a particular year and no distribution is made to FCCC, then no payments will be made to the Members on account of their Claims for that year; however, the payment will be deferred and will be paid at a time when cash becomes available, which will never exceed one year from the date the payment was originally scheduled to be made under the Plan.

FCCC's interest in Marsh Hawk, and thus its distributions, is subject to substantial dilution at the hands of Prudential if it elects to convert its convertible debt, as discussed below, to MHGC shares.

As revenues come in to Marsh Hawk, the Plan requires it to distribute the cash (after payment of operating expenses) in the following order:

1. First, to the secured note issued on account of Prudential's Claims

2. Second, to the Capital Expense Reserve

3. Third, to the Administrative Expense Reserve

4. Fourth, to the Payment Obligations to Classes 3 through 5 (including equipment vendors, Holders of Small Claims, and General Unsecured Creditors)

5. Fifth, to addition Capital Expense Reserves (not to exceed $120,000 per year)

6. Sixth, to the Subordinated Management Fee

7. Seventh, to the Debt Service Reserve (up to the $200,000 maximum)

8. Eighth, to FCCC.

If cash is available for distribution to FCCC, then FCCC will (after payment of its Operating Expenses), distribute the Available Cash as follows:

9. First, to Deferred Distributions due to Members.

10. Second, to Distributions currently due to Members.

11. Third, to the FCCC shareholders.

No distributions will be made to the shareholders of FCCC until all Deferred Distributions and currently-due Distributions are made.

E. Administrative Expenses

The following chart lists the Debtors' estimated administrative expenses and their proposed treatment under the Plan

Type	Estimated Amount Owed	Proposed Treatment
Professional Fees, as approved by the Court	$500,000.00 (excluding expenses of Tax Credit litigation and Tax Refund litigation).	Paid in full on the Effective Date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Court on the Effective Date of the Plan
U.S. Trustee Fees	No payments currently due	Paid as such fees become due
Expenses Arising in the Ordinary Course after the Petition Date	$0 (All payments have been timely paid in the ordinary course)	N/A
The Value of Goods Received in the Ordinary Course of Business within 20 Days before the Petition Date	$0 (All payments have been timely paid in the ordinary course)	N/A
Other Administrative Expenses	$17,840 for tax preparation	To be paid upon Court approval of administrative expense claim

The Chart attached as **Exhibit DS-15** shows the estimated cash that the Debtors will have on hand to pay Administrative Expense Claims on the Effective Date. Also included in Exhibit DS-15 is a pro forma operating statement showing the assumptions the Companies relied upon in estimating cash at confirmation.

F. Priority Tax Claims

The Debtors scheduled only two Priority Tax Claims, totaling $17,175.37, held by the Delaware Secretary of Sate and the James City County Treasurer, respectively. These Claims will be paid in full in cash at Confirmation. Real estate tax payments have been paid into an escrow account throughout the case and have been distributed to the taxing authorities as payments become due.

G. Treatment of Secured Claims

Under the Bankruptcy Code the Debtors are required to pay the Secured Creditors the value of their collateral, plus interest, and allow them to keep the value of their collateral to secure Plan obligations. Within these rules, the Code does allow a restructuring of secured indebtedness.

Prudential. The Debtors and Prudential have agreed that Prudential has a Claim against Marsh Hawk in the amount of $17,670,927.32, which includes the principal balance under the 2006 loan and interest (including default interest) that was accrued and unpaid at the Petition Date. The parties have also agreed that the collateral securing Prudential's Claim is worth only $10.5 million. Therefore, Prudential has both an Allowed Secured Claim (valued at $10.5 million) and an Allowed Unsecured Claim in the amount by which its total Claim exceeds the value of the collateral ($7,170,927.68).

The Plan proposes to discharge both Prudential's Allowed Secured Claim and Prudential's Allowed Unsecured Claim by issuing a single Secured Note in the principal amount of $17,670,927.32. The Secured Note will be paid over a 30-year term and will be composed of two components: a non-convertible component and a convertible component (which may be exchanged for stock in the Reorganized Company). Interest only will be payable for the first two years and principal and interest payments will commence thereafter. The Secured note is designed to pay interest on the secured portion ($10.5 million) of the total debt and principal on both the secured and unsecured debt.

The full principal balance of the Secured Note will thus bear interest according to the following equation: (1) The Formula Rate (described below) multiplied by (2) a fraction the numerator of which is the then-principal-balance of Prudential's Allowed Secured Claim and the denominator of which is the sum of the then-principal-balances of the Allowed Secured Claim and the Allowed Unsecured Claim. The Formula Rate for the period from the Effective Date to the Fifth Anniversary is set by the Plan at 5.25%. Thereafter, the Formula Rate will be adjustable on the Fifth Anniversary and every 5 years thereafter to a fixed rate equal to the then-prevailing rate of five-year U.S. Treasury obligations, plus a "risk premium" in the following amounts:

Fifth Anniversary	2.5%
Tenth Anniversary	2.25%
Fifteenth Anniversary	2.00%
Twentieth Anniversary	1.75%
Twenty-fifth Anniversary	1.50%.

The Formula Rate is designed to ensure that Prudential is not only compensated for time value of money, but also compensated for the risk of default (non-payment of its Claim). The risk premium decreases over time as risk of default decreases.

Payments under the Secured Note will be made each month and are Mandatory Payment Obligations. The Secured Note may not be prepaid without the consent of the Holder; *however*, at such time as Marsh Hawk has paid installments under the Secured Note equal to $17,670,927, the note may be prepaid at the sum of the remaining payments discounted to present value at the then-applicable Formula Rate.

The Plan provides that Prudential will retain its pre-petition liens, including liens on the golf course and related improvements. The liens will secure the entire amount of Prudential's Claim, not just the secured portion.

In addition, Prudential may elect, at any time, to convert the convertible portion of the Secured Note (equal to its Allowed Unsecured Claim), in whole and not in part, into stock in Marsh Hawk. Each $1,000 of then-balance of the convertible component of the Secured Note will be converted into one share in Marsh Hawk (thus diluting FCCC's Equity Interest). If Prudential exercises its conversion right, the Secured Note shall be reduced by the amount of the then balance of the convertible component (thus saving cash outlays for Marsh Hawk) and reamortized over the remaining term at the then-applicable Formula Rate.

Prudential's Allowed Secured Claim and Allowed Unsecured Claim against Marsh Hawk are placed in **Classes 1 and 2A**, respectively, by the Plan. ***Classes 1 and 2A are Creditors of Marsh Hawk.***

Prudential's Secured Claim against FCCC by virtue of the Liquor License Security Agreement and the Non-Recourse Guaranty is placed in **Class 2B** by the Plan. That Claim will be satisfied by reinstating the Liquor License Security Agreement and the Non-Recourse Guaranty in their entirety at the Effective Date. ***Class 2B is a Creditor of Marsh Hawk.***

Equipment Vendors. During the course of the bankruptcy proceedings, the Companies have reduced a good deal of debt owed to vendors by continuing to make installment payments under the contracts with the equipment providers. The Plan classifies these vendors in Class 3 and provides for the Claims to be repaid in installments equal to those in the original agreements, until principal and interest are paid in full. Arrearages under the contracts that existed as of the Petition Date will be paid at the end of the contract term.

The Secured Claims of Equipment Vendors against Marsh Hawk are placed in **Class 3A** by the Plan. ***Thus, Class 3A is composed of Claims against Marsh Hawk only.*** The Secured Claims of Equipment Vendors against FCCC are placed in **Class 3B** by the Plan and will be transferred to Marsh Hawk pursuant to the FCCC Assignment. (This assumption of liability is compensation for transfer of FCCC's equipment and assignment of its Member revenues). ***Thus, Class 3B is composed of Claims against FCCC only.***

Class 3A and 3B payments are Mandatory Payment Obligations of Marsh Hawk.

H. Administrative Convenience Class (Small Claims)

Each Creditor with Claims that total $1,000 or less will be placed in a "convenience Class" of Small Claims designated **Class 4**. Creditors of Marsh Hawk who have Small Claims are or who elect treatment as a Small Claim are placed in **Class 4A** by the Plan. ***Thus, Class 4A is composed of Claims against Marsh Hawk only.*** Creditors of FCCC who have Small Claims are placed in **Class 4B** by the Plan. ***Thus, Class 4B is composed of Claims against FCCC only.*** Each Class 4 Creditor will be paid in cash the full amount of its Claim on the later of the 180th day following the Effective Date, or the 10th day after the Creditor elects to be treated in this Class.

Any Creditor is automatically in either Class 4A or Class 4B if it has a Claim of $1,000 or less. Similarly, any Creditor of Marsh Hawk with a Claim over $1,000 may voluntarily elect to reduce its Claim to $1,000 and participate in Class 4A instead of receiving the payments designated for his or her Class. **Members with Claims over $1,000 may not elect to be treated in the Small Claims Class under the Plan**. The Claims of Class 4B Creditors will be transferred to Marsh Hawk and become Mandatory Payment Obligations of Marsh Hawk pursuant to the FCCC Assignment.

To illustrate the treatment of small Claims (Class 4), two examples may be helpful.

> *Creditor A has Claims, as of the Petition Date, totaling $500. Creditor A is automatically in Class 4 (Small Claims) and will be paid in full in cash 180 days after the Effective Date. There is no reason for it to elect any other treatment.*
>
> *Creditor B is a general unsecured Creditor with a Claim for $3,500. Creditor B is automatically in Class 5, which provides for payment of 75% of Creditor B's over 3 years, without interest. Creditor B may elect instead to join the Class of Small Claims and receive a $1,000 cash payment on the later of the 180th day following the Effective Date or the 10th day after he or she so elects.*

Participation in Class 4 (Small Claims) requires a Creditor to aggregate its Claims. Thus, a Creditor owed $700 on one invoice and $800 on another does not have two Small Claims, but rather has a single Class 4 Claim for $1,500.

I. General Unsecured Creditors

General Unsecured Creditors include Creditors that have extended credit to the Debtors for goods and services provided through the Club facilities, including the golf shop and restaurants.

General Unsecured Creditors whose Claims exceed $1,000 and who do not elect to receive immediate payment at a discount as described above, will receive 75% of their Claims, payable in annual installments, over a 3-year period, without interest. Payout will begin on the First Anniversary of the Effective Date. Each member of this Class may instead elect, at any time prior to the First Anniversary, to reduce its Claim to $1,000 and be paid and discharged as a Small Claim under Class 4 above.

General Unsecured Creditors' Claims against Marsh Hawk are placed in **Class 5A** by the Plan. ***Thus, Class 5A is composed of Claims against Marsh Hawk only.*** General Unsecured Creditors' Claims against FCCC are placed in **Class 5B** by the Plan. ***Thus, Class5B is composed of Claims against FCCC only.*** . Class 5B Claims will be transferred to Marsh Hawk pursuant to the FCCC Assignment. All Class 5 Claims are Mandatory Payment Obligations of Marsh Hawk.

J. Member Claims

Member Claims comprise four separate Classes. ***All Members are Creditors of FCCC.***

Premier Members. Premier Members are currently Active Members who chose to extend credit to the Club over and above the mandatory advance upon commencement of their Membership. In exchange for their "loan" to the Club, Premier Members bargained for semiannual interest payments at a market-comparable rate and a substantial payment upon the third anniversary of their death or retirement. On the other hand, the Premier Members' Class consists of only those Premier Members who remain Active Members of the Club and who do not have a current right to payment.

Accordingly, Premier Members' Claims will be split into (1) the Premier Initiation Advance (i.e. the amount the Premier Member paid to become an ordinary Member of the Club) if that amount is refundable under the Premier Member's Original Membership Agreement, and (2) the Premier Advance (i.e. the premium the Premier Member paid to become a "Premier Member") and any appreciated value due to the Premier Member under his or her Membership Agreement.

On account of their Premier Initiation Advance, Premier Members will receive 35% of their Claims, in equal annual installments, over a 3-year period, without interest, and commencing on the Third Anniversary of the Effective Date.

On account of their Premier Advance, Premier Members will receive 50% of their Premier Advance, in annual installments, over a five-year period, without interest, beginning on the First Anniversary of the Effective Date.

Payments to Premier Members will be made out of excess cash available to FCCC after paying its operating expenses.

Premier Members' Claims are placed in **Class 6** by the Plan. ***Class 6 is composed solely of Claims against FCCC.***

Gold Members. Gold Members are currently active Members who paid a Refundable Advance to the Club, which, according to their contracts, was to be repaid upon the third anniversary of their death or retirement. Being still active, Gold Members do not have a current right to payment from the Companies, but nevertheless have an "inchoate" Claim that will accrue upon the third anniversary of their death or resignation.

Some Gold Members had contracts that entitled them to small semiannual interest payments. All members entitled to interest were paid through December, 2009. No interest will be paid after that date.

Gold Members will receive 35% of their Claims in three annual installments, without interest, and commencing on the Third Anniversary of the Petition Date.

Payments to Gold Members will be made out of excess cash available to FCCC after paying its operating expenses.

Gold Members' Claims are placed in **Class 7** by the Plan. ***Class 7 is composed solely of Claims against FCCC.***

Resigned Members. Resigned Members are Members who had refundable contracts and who ceased being Members prior to the Petition Date. They differ from Active Members in that they no longer have an interest in the ongoing success of the Club. On the other hand, their Claims originated in a manner similar to the Active Members' Claims. Further, many of them still live or own property in Ford's Colony and thus indirectly benefit from the Club's success as occasional retail users of the facilities and as homeowners.

All Resigned Members have the opportunity, under the Plan, to have their Memberships reinstated at no cost, in exchange for a complete discharge of their Claims. The Claims of Resigned Members who do not elect to reinstate their Memberships will be paid 50% of their Claims over a 5-year period, without interest. Payments will be made in annual installments and will begin on the First Anniversary of the Petition Date.

Payments to Resigned Members will be made out of excess cash available to FCCC after paying its operating expenses.

Resigned Members' Claims are placed in **Class 8** by the Plan. ***Class 8 is composed solely of Claims against FCCC.***

Platinum Members. Platinum Members are distinct from Resigned Members, Premier Members and Gold Members because their Membership payments are *nonrefundabl*e, but *transferable.* Further, the Platinum Members' contracts with FCCC are "executory" in nature, meaning that FCCC has material, unfulfilled obligations to the Platinum Members beyond the mere payment of money. Platinum Members have contractual agreements with FCCC that allow them to transfer the Membership to purchasers of their homes in Ford's Colony and FCCC is required to recognize the home purchaser as a new Platinum Member. Further, if the Platinum Member is unable or unwilling to transfer the Membership, he or she can return the Membership to the Club, and the Club must remarket the Membership.

Some Platinum Members have asserted that their contracts with FCCC require FCCC to repurchase their Memberships. However, this is not what the contracts provide and was never the intent of Companies. Therefore, to resolve any ambiguities in the Platinum Members' contracts, the Plan treats the Platinum Members as follows:

The Plan rejects all the Platinum Members' Contracts. However, every Platinum Member has the option to enter into a new contract with FCCC on the same terms and conditions as the previous contract, only with the clarification that FCCC has no obligation to repurchase the Membership. The New Platinum Member Agreement is attached as **Exhibit DS-16**. It requires FCCC to offer prospective members returned Platinum Memberships before offering them any new Platinum Memberships.

If a Platinum Member does not want to accept a New Platinum Member Agreement, he or she will no longer be a Member of the Club and will have a Claim against FCCC for "damages" caused by the rejection of the contract. The Platinum Member must prove the dollar amount of its damage Claim. Once the Platinum Member has proved his or her damage Claim, the Claim will be paid as a Class 7 Claim.

Platinum Members are placed in **Class 9** by the Plan. ***Class 9 is composed solely of Claims against FCCC.***

K. Claims of Affiliates and Related Entities

After review of historical balance sheets and other books and records, the Debtors determined that the claims of Insiders are bona fide obligations of the Companies and, accordingly, the Plan deems those Claims allowed in full. The unsecured Claims of Richard Ford, the Estate of Richard Ford, Jr., Brian Ford Realtec, Inc., Southern Holding Associates, and Ford's Colony First Choice Realty, which total approximately $7 million against the Companies, will be discharged in full by the issuance of stock in FCCC at one share per $1,000 of the face amount of each Creditor's Claim.

The unsecured Claims of affiliated and related entities will be placed in **Class 10** by the Plan. These rights may only be exercised in favor of a person eligible to be a Subchapter S Shareholder.

L. Equity Interests

The common stock of FCCC issued and outstanding prior to bankruptcy was owned by the Ford Family. FCCC owns all of the equity interests in Marsh Hawk, indirectly, through Marsh Hawk Holding, LLC. Under the Plan, the shares of FCCC, Marsh Hawk and Marsh Hawk Holding, LLC outstanding as of the Petition Date will be cancelled. (*See also* Section VI.A of this Disclosure Statement).

M. Deferral of Non-Mandatory Payments

If at the time of any scheduled Distribution to Classes 6 through 8, there is not sufficient Available Cash to make the Distributions, FCCC will distribute the cash that is available to each Class in proportion to each Class' share of the aggregate amount of the Claims in Class 6 through 8, and to the Creditors within each Class in proportion to the Creditor's share of the total amount of the Claims in that Class. To illustrate how this provision will affect distribution, a simplified example follows.

> *Assume the total amount the debt in Class 6 through 8 is $1 million. Assume the $1 million is divided between the Class as follows: Class 6 has $200,000 in Claims (20% of the total); Class 7 has $300,000 in Claims (30% of the total); and Class 8 has $500,000 in Claims (50% of the total). Assume Available Cash at the end of Year 1 is $100,000.*

FCCC must distribute the $100,000 as follows: $20,000 to Class 6, $30,000 to Class 7 and $50,000 to Class8.

Then, FCCC must split the amount distributed to each Class among the Creditors in that Class according to each Creditor's share in the total amount of Claims in the Class. Thus, if Creditor A has a $60,000 Claim in Class 6, and Creditor B has a $40,000 Claim in Class 6, then Creditor A will receive 30% of the $20,000 distribution to Class 6 ($6,000) because it owns 30% of the total Claims in Class 6, and Creditor B will receive 20% of the $20,000 distribution to Class 6 ($4,000), because it owns 20% of the total Claims in Class 6.

If the amount distributed to a particular Creditor is less than the installment amount due to him or her under the Plan for that particular year, the amount of the deficiency will be deferred and paid when the next installment is due, if cash is available at that time. Deferred amounts are paid before current amounts. No Claim will be discharged until the Creditor receives the full amount to which he or she is entitled under the terms of the Plan.

Failure to complete a Distribution within one year of the scheduled Distribution date shall constitute a default under the Plan and entitle the injured party to exercise any of the default remedies listed below.

N. Equity for Debt

Any Creditor of FCCC (Member) who qualifies as a Subchapter S Corporation Investor may elect, at any time prior to the First Anniversary, to acquire shares in FCCC in lieu of the payments provided for his or her Claim, at a ratio of one (1) share per $1,000 of the Claim, in accordance with Regulation D of the Securities Act of 1933 and the Virginia Securities Act. THE COMPANIES BELIEVE THAT DISTRIBUTIONS IN THE FORESEEABLE FUTURE ARE IMPROBABLE. THE OPPORTUNITY TO ACQUIRE SHARES SHOULD ACCORDINGLY BE VIEWED AS AN OPPORTUNITY TO CONTRIBUTE TO THE CLUB'S SUCCESS AND NOT AS AN INVESTMENT. MEMBERS WHO ELECT TO EXCHANGE CLAIMS FOR SHARES WILL, WITH THEIR PERMISSION, BE HONORED WITH PUBLIC RECOGNITION OF THEIR CONTRIBUTION.

O. De Minimis Distributions

No payment of less than $10 will be made by the Reorganized Companies on account of any Claim. If at any time the total amount of cash available for Distribution to all holders of Allowed Claims is insufficient to pay any Holder of such Allowed Claims at least $10 and the Reorganized Companies determine that, to the best of their knowledge, no more funds will become available for Distribution for that period, then all of the available funds may be used as the Reorganized Companies see fit.

P. Indemnity

Each payee of a Distribution in respect of a Claim shall indemnify the Reorganized Companies for any loss or claim (including attorneys fees) arising from the determination that said payee was not the Holder of the Claim in respect of which said Distribution was made.

Q. Executory Contracts and Leases

Leases and Retail Installment Contracts. The Plan assumes (reaffirms) all leases and retail installment contracts. Pre-petition defaults under true leases will be paid at the end of the lease term. Any leases and retail installment contracts currently held by FCCC will be assigned to Marsh Hawk, which will assume all of FCCC's obligations under the leases.

Platinum Member Agreements. The Plan rejects (cancels) all Platinum Member Agreements. Platinum Members may choose to enter into a New Platinum Member Agreement on the same terms and conditions as the prior agreement, but with the clarification that the Reorganized Company has no obligation to repurchase Memberships, or elect to prove their Claims for damages and be treated in Class 7 above.

Management Agreement. The Plan rejects the existing Management Agreement between FCCC and Marsh Hawk.

The Marriott Agreement. The contract between FCCC and Marriott is assumed and will be assigned to Marsh Hawk pursuant to the FCCC Assignment.

Realtec Memberships. As explained more fully in **Exhibit DS-14**, the Companies have determined that the purchase price for the membership agreements transferred to Realtec, Inc., which were to be sold to homebuyers in Ford's Colony by Realtec or its affiliates, has been paid in full and therefore the agreements of sale are not executory. However, to the extent the agreement is executory, the agreement is assumed under the Plan. Any initiation fees or dues generated by the sale of these memberships by Realtec or its affiliates to new members are not included in the Debtors' projections (See **Exhibit DS-17**).

Parking Lot Agreement. As explained more fully in **Exhibit DS-14**, the Plan rejects that certain 2009 Agreement pursuant to which FCCC agreed to pay Realtec, Inc. $3,500.00 per month in rent for use of the parking lot adjacent to the Club.

R. Provisions for Title to Revest in the Reorganized Company

The Order of Confirmation shall revest title of the Debtors' property in the Reorganized Companies, subject to the liens of any Creditor provided for in this Plan, and no further order of the Court shall be required for the Reorganized Companies to sell, convey or encumber its property in any manner provided for in this Plan.

The Order of Confirmation shall act as a discharge of Marsh Hawk and FCCC and the Reorganized Companies from all obligations other than those as provided for in this Plan.

S. Post-Confirmation Obligations

Until the obligations of all Creditors are satisfied by the Companies in accordance with the Plan, the Reorganized Companies shall:

1. Deliver to the United States Bankruptcy Court and the United States Trustee all required documents for the administration of this Case.

2. Perform all obligations required by this Plan (including budgeting and reporting requirements)

3. Perform all obligations required by the MHGC Operating Agreement and FCCC Bylaws.

4. Perform all other obligations required by the Bankruptcy Code.

T. Disputed Claims; Objections to Claims

An objection to any Claim (other than Allowed Claims) must be filed within 30 days after confirmation. Any objection not filed within such time shall be deemed waived.

The failure to object to any Claim or interest prior to the start of the hearing on confirmation of the Plan for the purpose of voting shall not be deemed to be a waiver of the right to object thereafter to such Claim in whole or in part for the purpose of distribution.

Notwithstanding any other provision of the Plan, disputed Claims shall be paid on their allowance by the Court in accordance with the terms of the Plan.

All Distributions shall be accompanied by a reserve for payment in full upon resolution of the Disputed Claim.

Except with leave of the Court for good cause shown, objections to a Claim may be filed only by a Debtor or by a Creditor who is a Holder of a Claim of the same Class as the Claim to which the objection is made.

U. Event of Default

An Event of Default under the Plan shall occur upon the failure of the Reorganized Companies to perform their covenants under the Plan, to meet a Mandatory Obligation under the Plan, or to complete distribution of Security Documents under the Plan by the Effective Date.

Default under any note issued, or contract assumed, under the Plan, or any Mandatory Obligation, shall entitle (but not require) the other party to exercise such remedies as are provided in such note or contract or by applicable law.

Default in respect to any non-Mandatory Payment Obligations, or declaration of an Event of Default under the Secured Note, shall entitle the CCMA Board to petition the Court to (a) require performance by the Reorganized Companies; (b) convert the case to a case under Chapter 7 of the Bankruptcy Code; or (c) appoint a trustee.

The foregoing remedies are subject to cure and grace periods that may apply.

V. Modification of Plan

The Companies may propose amendments or modifications to this Plan at any time prior to confirmation on notice to Creditors and parties in interest. After confirmation, the Reorganized Companies may, on notice to all Creditors and parties in interest, and with the approval of the Court, and so long as it does not materially or adversely affect the interests of Creditors, remedy any defect or omission, modify the terms of the Plan, and reconcile any inconsistencies in the Plan, or in the Order of Confirmation, in such a manner as may be necessary to carry out the purposes and intent of the Plan.

Any such modification after confirmation shall be subject to notice to all affected Creditors and Order of the Court and shall comply with the provisions of Section 1127 of the Bankruptcy Code.

VII. INSIDER TRANSACTIONS

The Club is just one of the many integral components of the larger Ford's Colony development and the Debtors business, like many other companies owned and operated by the Ford Family, is essential to the prosperity of the larger community. This interdependency has resulted in a significant amount of transfers between the Ford entities over the years, which are explained in detail in **Exhibit DS-14**.

The Debtors have used their best efforts to keep detailed and accurate records of these intercompany transactions and documentation of affiliate transactions will be provided to any Creditor or Party in Interest who makes a written request to the Debtors' attorneys.

Under the Plan, the Debtors are prohibited from entering into new affiliate transactions except in accordance with the New FCCC Bylaws, which are attached as **Exhibit DS-9**. The Bylaws set forth standards for approval of affiliate transactions and noncompliance with those standards will be a breach of the Plan.

VIII. LITIGATION

A. Lawsuits Against the Debtors

The Companies are involved in legal proceedings from time to time incidental to the ordinary conduct of their business. The Companies carry commercial general liability insurance, but insurance does not always cover all the costs and expenses associated with litigating a claim against the Companies. Further, commercial general liability insurance does not cover all types of claims that may be brought against the Companies. Thus, litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. It is reasonably possible that the final resolution of any litigation could require the Reorganized Companies to make additional expenditures in excess of reserves that may have been established on account of such litigation. There is no litigation currently pending that the Companies believe is material. A list of lawsuits pending against the Debtors as of the Petition Date is included in the Statement of Financial Affairs on file with the Court.

B. Lawsuits By the Debtors

The Companies have initiated lawsuits during the course of the bankruptcy proceeding in order to recover additional funds to payout to the Creditors.

Specifically, FCCC initiated lawsuits against two different banks to recover the value of tax credits that were transferred to or for the benefit of the banks prior to the Petition Date. Marsh Hawk has initiated a lawsuit to have its real property taxes reassessed and reduced and to obtain a partial refund of property taxes paid for the 2007 to 2010 tax years.

C. Projected Recovery of Avoidable Transfers and other Litigation

The Debtors estimate that they will recover at least $800,000 (net of legal and other related expenses) on account of fraudulent, preferential or other avoidable transfers. Additional recoveries may arise out of the lawsuit initiated against James City County, which seeks reassessment of Marsh Hawk's real estate taxes for the tax years 2007 through 2010. The success of the plan is not dependent on these recoveries. While the results of litigation cannot be predicted with certainty and it is possible that other causes of action may be identified, the following is a summary of the preference, fraudulent conveyance and other avoidance actions filed in this case.

Transaction	Defendant	Amount Claimed
Sale of Tax Credits with a Face Value of $600,000	Union First Market Bank	$600,000
Sale of Tax Credits with a Face Value of $500,000	Citizens and Farmers Bank	$500,000
Sale of Tax Credits with a Face Value of $655,000	Citizens and Farmers Bank	$655,000
Reassessment of Property Taxes	City of Williamsburg/James City County	To be Determined

The Debtors have evaluated the potential benefits of pursuing filing suit to recover avoidable transfers made to insiders as detailed in **Exhibit DS-14**. Their preliminary analysis indicates that the expenses associated with litigating such matters far outweigh the anticipated recovery, in light of the Debtors' belief that the recipients of the transfers are currently insolvent or have substantial defenses. Moreover, the same parties directly or indirectly hold substantial documented Claims against the Companies and the Debtors have called on them to subordinate their Claims as provided in the Plan.

IX. REQUIREMENTS OF CONFIRMATION

In order to be confirmed, the Plan must receive the affirmative vote of at least one non-insider Class of Creditors under the Plan. In addition, each Creditor is entitled to receive under the Plan (regardless of how its Class votes) no less than it would receive if the Debtors were liquidated in bankruptcy proceedings under Chapter 7 of the Bankruptcy Code as of the date of Confirmation.

As a general rule, Confirmation requires that each Class approve the Plan, but the Court may confirm the Plan notwithstanding the failure of a Class to accept if the Plan is "fair and equitable" and does not "discriminate unfairly" with respect to the Class. If the dissenting Class is a Class of secured Claims, the Plan must provide that the Holders of the Claims retain their liens, and that each Holder of a Claim receive deferred cash payments totaling at least the allowed amount of the Claim, with interest. If the dissenting Class is a Class of unsecured Claims, the Plan must provide that each holder of a Claim within the Class receive property of value equal to the allowed amount of the Claim, i.e. the allowed amount of the Claim plus interest. **In the event a Class does dissent from the Plan, the Debtors intend to ask the Court for Confirmation of the Plan under the foregoing criteria, notwithstanding the Class's non-acceptance of the Plan.**

Another major requirement of Confirmation is that the Bankruptcy Court find that the Plan is "feasible," i.e. that confirmation of the Plan is not likely to be followed by the liquidation or need for further financial reorganization of the Debtors' business.

Other conditions to Confirmation include the following:

1. The Plan must comply with the applicable provisions of the Bankruptcy Code;

2. The Companies, as proponents of the Plan, must comply with the Bankruptcy Code;

3. The Plan must be proposed in good faith and not by any means forbidden by law;

4. Payments to be made for services or costs and expenses in connection with the case or in connection with the Plan must be approved by the Court as being consistent with the interest of Creditors and security holders and public policy;

5. The Companies must have disclosed the identity of all insiders that will be employed or retained by the Companies after confirmation and the nature of their compensation;

6. All governmental regulatory approvals must be obtained;

7. All fees arising out of the bankruptcy proceeding must be paid to the United States Trustee;

8. All retirement benefits binding on the Debtors have been continued under the Plan.

The Companies believe that all the conditions to confirmation of the Plan will be met, regardless of whether all the Classes provided for in the Plan accept the Plan.

X. EFFECT OF THE PLAN CONFIRMATION ON CLAIMS AND INTERESTS

Except as otherwise provided in the Plan or Confirmation Order, in accordance with Section 1141(d)(1) of the Bankruptcy Code, entry of the Confirmation Order acts as a discharge as of the Effective Date of all debts of, claims against, liens on or encumbering and interests in the Debtors, their assets, properties and Estate Property with respect to debts, claims, liens and interests which arose at any time prior to the Effective Date. The discharge of the Debtors shall be effective as to each Claim or interest regardless of whether a proof of claim therefore was filed, whether the Claim is an Allowed Claim, or whether the Holder thereof votes to accept or reject the Plan. On the Effective Date, as to every discharged Claim and interest, any Holder of such Claim or interest shall be precluded from asserting against the Debtors or the Reorganized Companies or against their assets, properties or Estate Property, any other or further Claim or interest based upon any document, instrument, act, omission, transaction or other activity of any kind or nature that occurred before the Effective Date. In accordance with the Bankruptcy Code, the discharge provided by Sections 524 and 1141, *inter alia*, acts as an injunction against the commencement or continuation of any action, employment of process or act to collect, offset, enforce or recover the Claims discharged hereby, or continue any action or proceeding to foreclose or otherwise enforce any lien, Claim, encumbrance, mortgage, security agreement, deed of trust, assignment or other instrument, the obligation or Claim for which, has been discharged and satisfied by the Plan and the Confirmation Order.

XI. RISK FACTORS

Prior to voting to accept or reject the Plan, Holders of Claims against or Equity Interests in the Debtors should read and carefully consider the factors set forth below, as well as the other information set forth in this Disclosure Statement, and the documents delivered together with this Disclosure Statement. The risk factors set forth below should not be regarded as constituting the only risks involved in connection with the Plan and its implementation or an investment in the securities of the Reorganized Companies.

A. Parties-in-Interest may Object To Debtors' Classification of Claims and Equity Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a Claim or Equity Interest in a particular class only if that Claim or Equity Interest is substantially similar to the other Claims or Equity Interests in the class. The Debtors believe that the classification of Claims under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created fourteen classes of Claims (including Subclasses), each encompassing Claims against only one of the Debtors and each encompassing Claims that are substantially similar to the other Claims in the Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

B. The Risk of Non-confirmation of the Plan

In order for the Plan to become effective the Debtors, like any other chapter 11 debtors, must obtain confirmation of the Plan through the Bankruptcy Court, and then successfully implement the Plan. The foregoing process requires the Debtors to (a) meet certain statutory requirements with respect to the adequacy of this Disclosure Statement; (b) solicit and obtain certain Creditor acceptances of the Plan; and (c) fulfill other statutory conditions with respect to the confirmation of the Plan.

The Debtors may or may not receive the requisite acceptances to confirm the Plan. If the requisite acceptances of the Plan are received, the Debtors will seek confirmation of the Plan by the Bankruptcy Court. If the requisite acceptances are not received, the Debtors will nevertheless seek confirmation of the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code as long as at least one impaired Class has accepted the Plan (determined without including the acceptance of any "insider"). Even if the requisite acceptances of the Plan are received, or the Debtors are able to seek a "cramdown" confirmation, the Bankruptcy Court may not confirm the Plan as proposed.

A holder of a Claim could challenge the balloting procedures and results as not being in compliance with the Bankruptcy Code. Even if the Bankruptcy Court determined that the balloting procedures and results were appropriate, the Bankruptcy Court could decline to confirm the Plan if it found that any of the statutory requirements for confirmation had not been met.

Specifically, Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and requires, among other things, a finding by the Bankruptcy Court that: (a) confirmation of the Debtors' Plan is not likely to be followed by a liquidation or a need for further financial reorganization of the Debtors (unless such liquidation is proposed in the Plan); (b) the value of distributions to holders of Claims within an impaired Class will not be less than the value such holders would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code; and (c) in the event of a "cramdown" confirmation, the Plan "does not unfairly discriminate" and is "fair and equitable" with respect to non-accepting Classes. The Bankruptcy Court may determine that the Plan does not satisfy one or more of these applicable requirements, in which case the Plan could not be confirmed by the Bankruptcy Court.

C. Risk that Claims Will Be Higher than Estimated

The projected distributions and recoveries set forth in this Disclosure Statement and the Liquidation Analysis (defined below) are based on the Debtors' initial estimate of Allowed Claims, without yet having undertaken a substantive review of all filed Claims. The actual amount at which such Claims are ultimately Allowed may differ from these estimates.

The Debtors project that the Claims asserted against them will be resolved in and reduced to an amount that approximates their estimates contained in this Disclosure Statement. There can be no assurance, however, that the Debtors' estimates will prove accurate. Should these estimates prove wrong, the recoveries on Claims may be reduced.

D. Effect of Chapter 11 Process

The public disclosure of the Debtors' Chapter 11 Cases has impaired the Debtors relationship with traditional financial institutions and has impeded the Debtors ability to obtain goods or services on credit. Even more importantly, the Debtors have been unable to attract new members to the Club—a significant source of the Companies' income—during the Chapter 11 proceedings due to the uncertainty surrounding the bankruptcy process. On the other hand, the Debtors have not received more than the typical number of member resignations since the bankruptcy filing, and the Debtors anticipate that, upon confirmation of the Plan, membership sales will resume at a more healthy pace.

E. Continuing Leverage and Ability to Service Debt

Although the consummation of the Plan will significantly reduce the debt service obligations of the Debtors, the Reorganized Companies will continue to have debt service obligations. It is anticipated that the Reorganized Companies will be able to meet their anticipated future operating expenses, capital expenditures and debt service obligations. However, the ability of the Reorganized Companies to meet debt service obligations will depend on a number of factors, including general economic, financial, competitive, business and other factors beyond the Reorganized Companies' control. The Projections attached to this Disclosure Statement (**Exhibit DS-17**) reflect the most recent data collected by the Debtors' management and assume only very modest increases in revenue. Although the Debtors believes that the Projections are achievable if all assumptions are met, and that those assumptions are reasonable, there can be no assurance that the results set forth in such Projections will be obtained.

F. General Economic Conditions

The Debtors' business operations have historically been, and may in the future be, materially affected by adverse conditions in the financial markets and depressed economic conditions generally. The current economic downturn, especially with respect to residential real estate markets, has substantially reduced membership sales and thus decreased annual revenue. Recently, concerns over inflation, energy costs, the availability and cost of credit and the instability of financial and credit markets in the United Sates and worldwide have contributed to increased volatility and diminished expectations for the local economy and markets. These factors, combined with declining business and consumer confidence, increased unemployment and continuing financial market fluctuations, have precipitated the worldwide economic crisis that could continue for an extended period of time.

These same factors may also impact the ability and willingness of suppliers to provide the Reorganized Companies with the goods they rely on to operate their business.

XII. SECURITIES LAW MATTERS

The issuance of the New Marsh Hawk Shares and the New FCCC Shares, or the distribution of Shares to the Holders of Class 2, Class 6, Class 7, Class 8 or Class 11 Claims, may constitute the offer or sale of securities contemplated by the Securities Act of 1933, as amended (the "Securities Act"). To the extent that the issuance of the Shares would be considered the offer or sale of securities under the Securities Act, the Debtors believe that distribution of Shares would be exempt from the Securities Act. Section 1145(a)(1) of the Bankruptcy Code exempts the offer or sale of securities under a plan of reorganization from registration under Section 5 of the Securities Act and state securities laws if three principal requirements are satisfied: (i) the securities must be offered or sold under a plan of reorganization and must be securities of the debtor, of an affiliate participating in a joint plan with the debtor, or of a successor to the debtor under the plan; (ii) the recipients of the securities must hold prepetition or administrative expense claims against the debtor or interests in the debtor; and (iii) the securities must be issued entirely in exchange for the recipient's claim against or interest in the debtor, or principally in exchange for such claim or interest and partly for cash or property.

XIII. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of certain U.S. federal income tax consequences expected to result from the implementation of the Plan. This discussion is based on the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), as in effect on the date of this Disclosure Statement and on U.S. Treasury Regulations in effect (or in certain cases, proposed) on the date of this Disclosure Statement, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing are subject to change, which change could apply retroactively and could affect the tax consequences described below. There can be no assurance that the Internal Revenue Service (the "IRS") will not take a contrary view with respect to one or more of the issues discussed below, and no ruling from the IRS has been or is expected to be sought with respect to any issues which may arise under the Plan.

The following summary is for general information only and discusses certain U.S. federal income tax consequences of the Plan to the Debtors, and to "U.S. Holders" of Allowed Claims or Equity Interests (sometimes referred to as "Stock") by virtue of their treatment under the Plan.

For purposes of this summary, a "U.S. Holder" is a beneficial owner of Stock or indebtedness that, for U.S. federal income tax purposes, is: (a) a citizen or resident of the United States; (b) a partnership or corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia); (c) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (d) a trust if such trust validly elects to be treated as a United States person for U.S. federal income tax purposes, or if (I) a court within the United States is able to exercise primary supervision over its administration and (II) one or more United States persons have the authority to control all of the substantial decisions of such trust.

This summary does not purport to address all of the U.S. federal income tax consequences that may be applicable to any particular holder. The tax treatment of a U.S. Holder of Allowed Claims or Equity Interests as the case may be, may vary depending upon such holder's particular situation. The following discussion does not address state, local or foreign tax considerations that may be applicable to the Debtors and the U.S. Holders of Allowed Claims or Equity Interests. This summary does not address tax considerations applicable to holders that may be subject to special tax rules, such as financial institutions, insurance companies, real estate investment trusts, regulated investment companies, grantor trusts, dealers or traders in securities or currencies, tax-exempt entities, persons that hold an equity interest or a security in a Debtor as a position in a "straddle" or as part of a "hedging," "conversion" or "integrated" transaction for U.S. federal income tax purposes, persons that have a "functional currency" other than the U.S. dollar, persons who acquired an equity interest or a security in a Debtor in connection with the performance of services and persons who are not United States persons (as defined in the Internal Revenue Code).

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds Allowed Claims, Equity Interests, Stock or indebtedness, the tax treatment of a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Any such partner should consult its tax advisor as to its tax consequences.

EACH HOLDER OF AN ALLOWED CLAIM OR EQUITY INTEREST IS URGED TO CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE IMPLEMENTATION OF THE PLAN.

INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE

PURSUANT TO INTERNAL REVENUE SERVICE CIRCULAR 230, WE HEREBY INFORM YOU THAT THE DESCRIPTION SET FORTH HEREIN WITH RESPECT TO U.S. FEDERAL TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE U.S. INTERNAL REVENUE CODE. THIS DESCRIPTION WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE PLAN BY THE DEBTORS. THIS DESCRIPTION IS LIMITED TO THE U.S. FEDERAL TAX ISSUES DESCRIBED HEREIN. IT IS POSSIBLE THAT ADDITIONAL ISSUES MAY EXIST THAT COULD AFFECT THE U.S. FEDERAL TAX TREATMENT OF THE MATTER THAT IS THE SUBJECT OF THE DESCRIPTION NOTED HEREIN, AND THIS DESCRIPTION DOES NOT CONSIDER OR PROVIDE ANY CONCLUSIONS WITH RESPECT TO ANY SUCH ADDITIONAL ISSUES. TAXPAYERS SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

A. General Tax Consequences to Creditors under the Plan

Generally, a holder of a Claim or Interest will recognize gain or loss equal to the difference between the "amount realized" by such holder in exchange for its Claim or Interest and such holder's adjusted tax basis in the Claim or Interest. The "amount realized" is equal to the sum of the cash and the fair market value of any other consideration received under the Plan in respect of a holder's Claim or Interest. The tax basis of a holder in a Claim or Interest will generally be equal to the holder's cost therefore.

The character of any recognized gain or loss (i.e. ordinary income, or short-term or long-term capital gain or loss) will depend upon the status of the holder, the nature of the Claim or Interest in the holder's hands, the purpose and circumstances of its acquisition, the holder's holding period of the Claim or Interest, and the extent to which the holder previously claimed a deduction for the worthlessness of all or a portion of the Claim or Interest. If the Claim or Interest is a capital asset in the holder's hands, any gain or loss realized will generally be characterized as capital gain or loss, and will constitute long-term capital gain or loss if the holder has held such Claim or Interest for more than one year. There are limitations on the deduction of capital losses by both corporate and non-corporate taxpayers.

HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE RECOGNITION OF GAIN OR LOSS, FOR FEDERAL INCOME TAX PURPOSES, ON THE SATISFACTION OF THEIR CLAIMS AND INTERESTS.

B. Tax Consequences to Debtor under the Plan

As a result of the consummation of the Plan, certain indebtedness of the Debtors will be discharged for U.S. federal income tax purposes. Generally, gross income includes the amount of any such cancellation of indebtedness ("COD") income. The amount of the COD income generally equals the amount by which the indebtedness discharged (reduced by any unamortized discount) exceeds any consideration given in exchange therefor, subject to certain statutory or judicial exceptions that can apply to limit the amount of COD income (such as where the payment of the cancelled debt would have given rise to a tax deduction). Because the Debtors are in a Chapter 11 bankruptcy proceeding, however, the Debtors will not be required to recognize COD income, but must instead reduce certain tax attributes by the amount of unrecognized COD income in the manner prescribed by Section 108(b) of the Tax Code. The tax attributes of the Debtors subject to reduction include net operating losses ("NOLs"), NOL carryforwards, capital losses and loss carryovers, certain tax credits and, subject to certain limitations, the tax basis of property (including stock of subsidiaries).

The Debtors are "pass through" entities for federal and state income tax purposes. Failure to maintain that status could result in the incurring of taxable gain or loss that is not factored into the Debtors' projections.

Any Creditor becoming an owner of equity securities of either Debtor may incur "pass through" state and federal income tax liability without the benefit of cash distributions with which to pay these taxes.

THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTION CONTEMPLATED BY THE RESTRUCTURING, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, OR FOREIGN TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

XIV. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtors have evaluated numerous alternatives to the Plan, and have concluded that, the Plan is the best alternative and will maximize recoveries of holders of all Claims to the extent possible. The following discussion provides a summary of the analysis supporting the conclusion that a liquidation of the Debtors or an alternative plan of reorganization for the Debtors will not provide higher value to holders of Claims and Equity Interests.

A. Liquidation Under Chapter 7 of the Bankruptcy Code

If no plan of reorganization can be confirmed, the Chapter 11 Cases of the Debtors may be converted to cases under chapter 7, in which event a trustee would be elected or appointed to liquidate the properties and interests in property of the Debtors for distribution to their creditors in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that liquidation under chapter 7 would result in smaller distributions being made to creditors than those provided for under the Plan because of (1) the increased costs and expenses of a liquidation under chapter 7 arising from fees payable to a trustee for bankruptcy and professional advisors to such trustee; (2) the erosion in value of the business as a going concern and the assets of the business in the context of the expeditious liquidation required under chapter 7 and the "forced sale" environment in which such a liquidation would likely occur; (3) the adverse effects on the salability of business segments as a result of the likely departure of key employees and the loss of customers or members; (4) the substantial increases in claims which would have to be satisfied on a priority basis or on parity with creditors in the Chapter 11 Cases; and (5) the depressed value of the Debtors' assets.

Attached as **Exhibit DS-18** is a liquidation analysis on which the Debtors base this belief. The liquidation analysis was conducted as of February 28, 2011. As explained more fully, therein, the Liquidation Analysis assumes a "Liquidation Date" of January 31, 2011, because that is the last day of the last month for which the Debtors had complete financial information at the time of the drafting of this Disclosure Statement. The Debtors do not believe that there would be any material difference in their analysis if they assumed a Liquidation Date of July 1, 2011, which is the projected Effective Date of the Plan. It is unlikely the value of Club's existing assets will change between January 31, 2011 and July 1, 2011 or that the Club will acquire significant new assets in that time.

Liquidation will terminate all membership agreements. The Liquidation Analysis shows that the Creditors of Marsh Hawk and FCCC should receive more under the Plan than they would receive upon liquidation of the assets of each Company under Chapter 7 of the Bankruptcy Code. The real property on which the Club is operated, as well as all improvements, furnishings, and fixtures thereon, were recently appraised at between $9 million and $10.5 million. The mortgage on the property is over $17 million. If the Club were liquidated, a sale period of 1 to 3 years is likely. FCCC owns very few assets and is subject to over $4 million in Member Claims. The largest asset of FCCC is a $1.66 million note from Ford's Colony Sports Club, which is insolvent and unable to pay its debts. Attached to the Liquidation Analysis are the balance sheets of all FCCC subsidiaries as of January 31, 2011. The remaining assets are items of equipment, which are subject to secured claims, and receivables that are likely uncollectable.

Accordingly, the Debtors have determined that confirmation of the Plan will provide each holder of a Claim or Equity Interest with at least as much as it would receive pursuant to liquidation of the Debtors under chapter 7.

Section 1129(a)(7) of the Bankruptcy Code provides that with respect to impaired classes, each holder of a claim or interest of such class must receive or retain under the plan on account of such claim or interest property of a value, as of the effective date of the plan, that is not less than the amount such holder would so receive or retain if the debtor liquidated under chapter 7 of this title on such date. As the Plan provides each holder of a Claim or Equity Interest with at least as much as it would receive pursuant to liquidation of the Debtors under chapter 7, the Plan satisfies Section 1129(a)(7).

B. Alternative Plans of Reorganization

If the Plan is not confirmed, any other party in interest could undertake to formulate a different plan of reorganization. Such a plan of reorganization might involve either (x) a reorganization of the capital structure and continuation of the business of the Debtors, (y) the sale of the Debtors as a going concern, or (z) an orderly liquidation of the properties and interests in property of the Debtors. With respect to an alternative plan of reorganization, the Debtors have examined various other alternatives in connection with the process involved in the formulation and development of the Plan. The Debtors believe that the Plan, as described herein, enables holders of Claims and Equity Interests to realize the best recoveries under the present circumstances.

If the Debtors sold their business, there is no assurance that unsecured creditors would receive a meaningful distribution on their claims.

In a liquidation of the Debtors under chapter 11, the properties and interests in property would be sold in a more orderly fashion and over a more extended period of time than in a liquidation under chapter 7, probably resulting in marginally greater recoveries than in a chapter 7 case. Further, if a trustee were not appointed, since one is not required in a chapter 11 case, the expenses for professional fees would most likely be lower than in a chapter 7 case. However, although preferable to a chapter 7 liquidation, the Debtors believe that a liquidation under chapter 11 for the Debtors is a much less attractive alternative to holders of Claims and Equity Interests than the Plan because the recovery realized by holders of Claims and Equity Interests under the Plan is likely to be greater than the recovery under a chapter 11 liquidation.

XV. REORGANIZATION ANALYSIS

By reorganizing the Companies, the Plan avoids the transaction costs and discounts to value associated with liquidation under Chapter 7 of the Bankruptcy Code, i.e. taxes on gain, trustee expense, sale discounts. Under the Plan the Companies will use their combined assets to generate future income to repay debt, resulting in full payment of Administrative Claims, and substantial payment on Unsecured and Secured Claims.

The attached pro forma financial statements (**See Exhibit DS-17**) indicate the Companies' anticipated revenues and expenses for 2011 and typical years thereafter. The Companies do not anticipate there will be major changes in items of income or expense from year-to-year after 2011 that can be accurately projected, and therefore believe the projections for 2011 will be typical. The payments to Creditors are incorporated as if the Plan were confirmed. The projections do not account for the results of the pending lawsuits.

Respectfully submitted,

MARSH HAWK GOLF CLUB, LLC AND
FORD'S COLONY COUNTRY CLUB, INC.

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CERTIFICATE OF SERVICE

I hereby certify that on this ___ day of February, 2011, a true and correct copy of the foregoing was served *via* first-Class U.S. mail on:

____

Stephanie N. Gilbert